

VZCZCXRO7436  
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DE RUEHLM #0368/01 1001123  
ZNR UUUUU ZZH  
O 091123Z APR 08  
FM AMEMBASSY COLOMBO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7989  
INFO RUEHKA/AMEMBASSY DHAKA PRIORITY 0833  
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 7826  
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 6009  
RUEHLO/AMEMBASSY LONDON PRIORITY 4345  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1959  
RUEHNY/AMEMBASSY OSLO PRIORITY 4344  
RUEHKO/AMEMBASSY TOKYO PRIORITY 3440  
RUEHCG/AMCONSUL CHENNAI PRIORITY 8433  
RUEHBI/AMCONSUL MUMBAI PRIORITY 5904  
RUEHON/AMCONSUL TORONTO PRIORITY 0613  
RUEHGV/USMISSION GENEVA PRIORITY 2710  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS SECTION 01 OF 02 COLOMBO 000368

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DEPARTMENT FOR SCA/INS

E.O. 12958: N/A

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SUBJECT: SRI LANKA: AMBASSADOR OPENS USAID PROJECTS IN THE SOUTH; DISCUSSES CONCERNS WITH LOCAL LEADERS

¶1. SUMMARY: Ambassador visited Galle on April 4 to open two USAID projects and meet local officials. Party leaders expressed concern about Southern Province's disproportionate share of the war burden, a growing drug problem, a shortage of labor for traditional industries. A representative of the hotel industry noted that police and hotel owners have been educated on trafficking in persons through Tourist Board and National Child Protection Authority programs. End Summary.

#### Ambassador Opens USAID Projects

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¶2. The Ambassador visited a USAID funded vocational training school in Ambalangoda, one of the areas in the South most hard-hit by the tsunami. The new school offers vocational training for high school graduates who are not planning to attend university. Men are trained in outboard motor, motor cycle, and tri-wheeler maintenance, and women receive training in beauty services. The center has negotiated with state and private banks to obtain loans for successful trainees to set up their own businesses. Ambassador also opened the eighty-seventh USAID-funded playground for children, another tsunami rehabilitation project, in the coastal town of Koggala.

#### South Bears Weight of War Effort

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¶3. Ruling United People's Freedom Alliance (UPFA) parliamentarian Lionel Premasiri and Deputy Minister of Social Services and Social Welfare told Ambassador that the government's war policy and military expenditures are acceptable to the southern polity because people of the rural south are less affected by the cost of living than urban people. Premasiri emphasized that army recruitment was mostly from the South, a clear endorsement of the war policies. Opposition United National Party (UNP) parliamentarian Gayantha Karunathileke disagreed that the cost of living had little impact on southerners and said southern youth "are joining the army because they are poor." The South has the highest poverty levels outside the theater of conflict in the Northern and Eastern provinces. People

are not criticizing the government openly, he said, because they live in fear of government rights violations.

#### Employment Trends Impacted by Conflict

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¶4. Local leaders expressed concern about trends in the southern labor market. Chairman of the Hikkaduwa Hoteliers Association Siri Goonewardene said the 100,000 jobs lost in the tourism sector have mostly affected the South. He blamed the international media's portrayal of the conflict for the plight of industry. He noted that southern youth are choosing jobs in the military over tourism because the army provides continuous employment, while tourism employment is seasonal and unreliable. UNP MP Karunathileke, also a tea small holder, said despite the boom in the tea industry, women prefer to work in garment factories rather than in the estates. He predicted that the low-grown tea industry in the South is heading for a labor crisis.

#### No Recent Security Incidents, But Increase in Drug Use

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¶5. Galle District Senior Superintendent of Police Keerthi Silva told Ambassador that since the LTTE attack on naval vessels in the Galle harbor in 2007, no further activities have been detected. He said close surveillance is maintained on the 1,500 Tamil residents in Galle town and the greater Tamil population in the interior tea plantation areas.

¶6. A more immediate problem, he said, is widespread drug use among southern youth. A representative of the Galle Bar

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Association, Thilina Panditaratne, said the lack of recreational activities in Galle drove youth to drugs. Silva noted, however, that the police have been working to address the problem. The number of addicts had dropped during the last year due to direct police action and arrests, he said.

#### GSL TIP Efforts Show Some Results

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¶7. Chairman of the Hikkaduwa Hoteliers Association Goonewardene said the police and hotel owners have been educated on trafficking in persons through Tourist Board and National Child Protection Authority programs. President of the Galle District Press Association Sanjeeva Wijeweera said journalists in the South have virtually no conceptual grasp of trafficking as an issue or criminal offense, and tend to report inaccurately on these incidents. Police Superintendent Silva said overseas employment of women due to poverty has increased child abuse and incest in the South.

¶8. COMMENT: Reports of greater awareness of TIP among police and hotel owners in the South are encouraging. Projects such as USAID's vocational center will help address Galle leaders' concerns about unemployment and provide young people with employment options other than the army. USAID projects in the South send a signal that our development assistance is balanced and is not directed exclusively at the predominantly Tamil populations in conflict-affected regions.  
BLAKE